

Message Text

CONFIDENTIAL

PAGE 01 STATE 050102
ORIGIN EUR-12

INFO OCT-01 ISO-00 SS-15 NSC-05 SSO-00 NSCE-00 /033 R

DRAFTED BY TEXT RECEIVED FROM WHITE HOUSE (S/S 7706271)
APPROVED BY EUR - REBARBOUR
S/S - MR. SEBASTIAN

-----072133Z 061688 /66

O 072055Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY PARIS IMMEDIATE

C O N F I D E N T I A L STATE 050102

E.O. 11652: GDS

TAGS: PFOR, PO, FR, US

SUBJECT: PRESIDENTIAL MESSAGE TO VALERY GISCARD D'ESTAING

PLEASE DELIVER THE FOLLOWING MESSAGE FROM PRESIDENT CARTER
TO FRENCH PRESIDENT VALERY GISCARD D'ESTAING.

BEGIN TEXT: "DEAR MR. PRESIDENT: I WOULD LIKE TO
RAISE WITH YOU PERSONALLY THE QUESTION OF BALANCE OF PAY-
MENTS ASSISTANCE TO PORTUGAL WHICH I BELIEVE IS NECESSARY TO
HELP STABILIZE THAT COUNTRY'S ECONOMY AND PREVENT A REVERSAL
OF ITS CURRENT POSITIVE POLITICAL EVOLUTION.

2. WORKING TOGETHER, THE WESTERN COMMUNITY OF NATIONS HAS
PLAYED A VITAL ROLE IN RESTORING DEMOCRACY TO PORTUGAL. HOW-
EVER, THE SITUATION REMAINS UNCERTAIN. PRIME MINISTER
SOARES IS FACING A DIFFICULT PERIOD IN WHICH ECONOMIC DIS-
TRESS -- COUPLED WITH HIS EFFORTS TO RELIEVE IT -- FOSTER
POLITICAL ELEMENTS WHICH DO NOT SUPPORT PORTUGUESE DEMOCRACY.

3. SUBSTANTIAL SHORT TERM FINANCING HAS ALREADY BEEN MADE
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AVAILABLE TO PORTUGAL BY WESTERN EUROPE AND THE UNITED
STATES. HOWEVER, IT WILL TAKE TWO OR THREE YEARS BEFORE
PORTUGAL'S ECONOMIC PROGRAM CAN REACH A POINT WHERE THE

LARGE BALANCE OF PAYMENTS DEFICIT CAN BE FINANCED THROUGH
NORMAL MEANS, OUR PROJECTIONS INDICATE THAT DURING THIS
PERIOD ROUGHLY \$1.5 BILLION OF ADDITIONAL OFFICIAL MEDIUM

TERM FINANCING WILL BE REQUIRED.

4. NO SINGLE COUNTRY CAN BE EXPECTED ALONE TO PROVIDE ASSISTANCE ON SUCH A SCALE, NOR DO PORTUGAL'S DRAWING RIGHTS FROM THE INTERNATIONAL MONETARY FUND APPROACH THIS AMOUNT. A COMMON EFFORT BY AS MANY NATIONS AS POSSIBLE WILL BE REQUIRED TO PROVIDE NECESSARY ECONOMIC AND POLITICAL SUPPORT.

5. I KNOW THAT THE EUROPEAN COMMUNITY RECENTLY REAFFIRMED ITS POLITICAL COMMITMENT TO HELP DEMOCRACY IN PORTUGAL. HOWEVER, IN OUR VIEW THE ANSWER TO THE BALANCE OF PAYMENTS PROBLEM IS A BROAD CONSORTIUM OF LENDING COUNTRIES WHICH WOULD PHASE ITS SUPPORT TO ENCOURAGE THE SORT OF ECONOMIC POLICIES THAT WILL QUALIFY PORTUGAL FOR HIGHER TRANCHE DRAWINGS FROM THE INTERNATIONAL MONETARY FUND. AS YOU KNOW, PRIME MINISTER SOARES STRONGLY FAVORS THIS APPROACH. WE ALSO HAVE PRELIMINARY INDICATIONS OF SUPPORT FROM THE UNITED STATES CONGRESS THAT LEAD ME TO BELIEVE THE UNITED STATES COULD PROVIDE ROUGHLY ONE THIRD OF THE \$1 5 BILLION NEEDED FOR SUCH A CONSORTIUM. SUBSTANTIAL PARTICIPATION BY FRANCE IN THIS COMMON EFFORT WOULD BE OF IMMENSE VALUE, FOR BOTH ECONOMIC AND POLITICAL REASONS.

6. MR. PRESIDENT, I HOPE YOU WILL GIVE THE PROPOSED CONSORTIUM YOUR PERSONAL ATTENTION AND SUPPORT. UNITED STATES OFFICIALS HAVE ALREADY BEGUN DISCUSSIONS WITH REPRESENTATIVES OF YOUR FINANCE MINISTRY; AND ANTHONY SOLOMON, UNDER SECRETARY-DESIGNATE OF THE TREASURY, IS PREPARED TO GO TO CONFIDENTIAL

CONFIDENTIAL

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EUROPE IN A FEW DAYS TO CONTINUE THESE TALKS.

7. I APPRECIATE YOUR PERSONAL INTEREST IN THIS MATTER OF IMPORTANCE TO US ALL. SINCERELY, JIMMY CARTER." END TEXT.

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APPROVED BY EUR/WE/EMROWELL

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O 091925Z MAR 77

FM SECSTATE WASHDC

TO AMEMBASSY LISBON IMMEDIATE

C O N F I D E N T I A L STATE 050102

FOL RPT STATE 050102 ACTION PARIS 7 MAR 77 QUOTE

C O N F I D E N T I A L STATE 050102

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UNQUOTE VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, DIPLOMATIC COMMUNICATIONS, FOREIGN ASSISTANCE, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: S 7706271)
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Format: TEL
From: STATE
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3184833
Secure: OPEN
Status: NATIVE
Subject: PRESIDENTIAL MESSAGE TO VALERY GISCARD D'ESTAING PLEASE DELIVER THE FOLLOWING MESSAGE FROM PRESIDENT CARTER TO FRENCH PRESIDENT VALERY GISCARD D'EST AING.
TAGS: PFOR, PPDC, PO, FR, US, (GISCARD D'ESTAING, VALERY), (CARTER, JIMMY)
To: PARIS
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/fd4581bc-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009